

**INLAND EMPIRE
PUBLIC FACILITIES CORPORATION**

AUDIT REPORT

JUNE 30, 2006

INLAND EMPIRE PUBLIC FACILITIES CORPORATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Inland Empire Public Facilities Corporation
San Bernardino, CA

We have audited the accompanying combined statement of net assets of Inland Empire Public Facilities Corporation as of June 30, 2006 and the related combined statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Inland Empire Public Facilities Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inland Empire Public Facilities Corporation as of June 30, 2006 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The *Management's Discussion and Analysis (MD&A)* is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The management of the Inland Empire Public Facilities Corporation has elected to omit this information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Inland Empire Public Facilities Corporation's financial statements. The supplementary information on those pages listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
September 1, 2006

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INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2006

EXHIBIT A

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
ASSETS				
Cash and cash equivalents	\$ 8,628,596	\$ 20,038	\$ 2,176,484	\$ 10,625
Investments	6,602,696	-	56,850,835	-
Interest receivable	160,640	71	705,495	108
Receivable from County of San Bernardino	-	-	191,152	-
Current portion of gross lease payments receivable	10,629,919	9,077,558	55,429,185	989,423
Current portion of unearned lease interest income	<u>(6,114,129)</u>	<u>(5,540,117)</u>	<u>(34,509,919)</u>	<u>(875,506)</u>
Total Current Assets	19,907,722	3,557,550	80,843,232	124,650
Gross lease payments receivable, net of current portion	84,734,457	108,221,525	915,676,195	20,113,172
Unearned lease interest income, net of current portion	(31,046,587)	(37,930,442)	(434,260,807)	(9,874,237)
Deferred Certificates of Participation issuance costs	<u>1,047,945</u>	<u>1,549,244</u>	<u>8,459,945</u>	<u>312,614</u>
TOTAL ASSETS	<u>74,643,537</u>	<u>75,397,877</u>	<u>570,718,565</u>	<u>10,676,199</u>
LIABILITIES				
Interest Payable	1,211,348	669,842	12,583,993	7,128
Accounts Payable	-	-	-	360
Current portion of Certificates of Participation payable	<u>6,405,000</u>	<u>5,085,000</u>	<u>25,735,000</u>	<u>400,000</u>
Total Current Liabilities	7,616,348	5,754,842	38,318,993	407,488
Certificates of Participation Payable net of current portion	75,105,000	81,600,000	566,225,000	13,800,000
Arbitrage Payable	-	-	191,152	-
Deferred Amount on refunding	(6,161,714)	(4,741,941)	(37,852,107)	(2,859,664)
Discounts, net of premium on Certificates of Participation payable	<u>1,162,062</u>	<u>2,322,612</u>	<u>(13,056,040)</u>	<u>-</u>
TOTAL LIABILITIES	77,721,696	84,935,513	553,826,998	11,347,824
NET ASSETS (DEFICIT)				
Restricted	<u>\$ (3,078,159)</u>	<u>\$ (9,537,636)</u>	<u>\$ 16,891,567</u>	<u>\$ (671,625)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2006

EXHIBIT A

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total	
\$ 1,799	\$ 387,638	\$ 3,231,140	\$ 14,456,320	ASSETS
-	-	1,412,239	64,865,770	Cash and cash equivalents
59	944	41,343	908,660	Investments
-	-	-	191,152	Interest receivable
611,191	9,491,133	1,422,014	87,650,423	Receivable from County of San Bernardino
(448,653)	(3,936,954)	(792,815)	(52,218,093)	Current portion of gross lease payments receivable
164,396	5,942,761	5,313,921	115,854,232	Current portion of unearned lease interest income
				Total Current Assets
10,412,972	94,850,056	18,999,153	1,253,007,530	Gross lease payments receivable, net of current portion
(4,652,102)	(20,647,478)	(7,697,910)	(546,109,563)	Unearned lease interest income, net of current portion
256,621	1,338,835	334,356	13,299,560	Deferred Certificates of Participation issuance costs
6,181,887	81,484,174	16,949,520	836,051,759	TOTAL ASSETS
-	92,371	162,365	14,727,047	LIABILITIES
-	4,399	-	4,759	Interest Payable
300,000	5,450,000	755,000	44,130,000	Accounts Payable
300,000	5,546,770	917,365	58,861,806	Current portion of Certificates of Participation payable
				Total Current Liabilities
7,400,000	73,725,000	12,720,000	830,575,000	Certificates of Participation Payable net of current portion
-	-	-	191,152	Arbitrage Payable
(1,363,822)	-	-	(52,979,248)	Deferred Amount on refunding Discounts, net of premium on Certificates of Participation payable
-	-	(208,506)	(9,779,872)	
6,336,178	79,271,770	13,428,859	826,868,838	TOTAL LIABILITIES
\$ (154,291)	\$ 2,212,404	\$ 3,520,661	\$ 9,182,921	NET ASSETS (DEFICIT)
				Restricted

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT B

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
REVENUES				
Lease interest	\$ 9,166,103	\$ 5,802,560	\$ 33,448,600	\$ 847,280
Investment income				
Interest and dividends	322,517	14,578	3,195,995	1,171
Other Revenue	-	-	3,593	35,988
Net increase (decrease) in fair value of investments	-	-	(2,866,516)	-
 Total Revenues	 9,488,620	 5,817,138	 33,781,672	 884,439
EXPENSES				
Interest	3,043,170	4,173,925	30,250,869	473,479
Amortization of deferred amount on refinancing	632,109	576,815	1,807,388	161,868
Amortization of discount(premium) on Certificates of Participation	(116,206)	(263,168)	434,878	-
Amortization of deferred Certificates of Participation issuance costs	107,659	125,475	628,955	17,695
Other expenses	532	1,567	129,866	51,878
 Total Expenses	 3,667,264	 4,614,614	 33,251,956	 704,920
 Changes in Net Assets	 5,821,356	 1,202,524	 529,716	 179,519
 Net Assets (Deficit) - July 1, 2005	 (8,899,515)	 (10,740,160)	 16,361,851	 (851,144)
 Net Assets (Deficit) - June 30, 2006	 <u>\$ (3,078,159)</u>	 <u>\$ (9,537,636)</u>	 <u>\$ 16,891,567</u>	 <u>\$ (671,625)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT B

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total	
\$ 384,156	\$ 4,123,529	\$ 736,592	\$ 54,508,820	REVENUES
932	11,721	220,489	3,767,403	Lease interest
-	205,842	-	245,423	Investment income
-	-	-	-	Interest and dividends
-	-	-	(2,866,516)	Other Revenue
385,088	4,341,092	957,081	55,655,130	Net increase (decrease) in fair value of investments
203,460	3,450,833	684,219	42,279,955	Total Revenues
70,542	-	-	3,248,722	EXPENSES
-	-	10,832	66,336	Interest
13,273	125,516	17,369	1,035,942	Amortization of deferred amount on refinancing
117	190,793	-	374,753	Amortization of discount(premium) on Certificates of Participation
287,392	3,767,142	712,420	47,005,708	Amortization of deferred Certificates of Participation issuance costs
97,696	573,950	244,661	8,649,422	Other expenses
(251,987)	1,638,454	3,276,000.00	533,499	Total Expenses
\$ (154,291)	\$ 2,212,404	\$ 3,520,661	\$ 9,182,921	Changes in Net Assets
				Net Assets (Deficit) - July 1, 2005
				Net Assets (Deficit) - June 30, 2006

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT C

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Lease payments received	\$ 12,191,182	\$ 9,045,642	\$ 52,869,042	\$ 979,366
Other revenue received	-	-	-	35,988
Principal payments on Certificates of Participation	(6,180,000)	(4,840,000)	(24,350,000)	(500,000)
Interest paid	(3,096,449)	(4,205,645)	(30,806,623)	(473,463)
Other expenses	(532)	(1,567)	(129,866)	(52,233)
Certificate of Participation Issuance Costs	-	-	-	-
Net Cash Provided By (Used) For Capital and Related Financing Activities	<u>2,914,201</u>	<u>(1,570)</u>	<u>(2,417,447)</u>	<u>(10,342)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	315,872	14,521	3,262,928	1,267
Proceeds from sale of investments	13,204,863	-	-	-
Purchase of investments	<u>(13,205,205)</u>	<u>-</u>	<u>(147,981)</u>	<u>-</u>
Net Cash Provided By (Used) For Investing Activities	<u>315,530</u>	<u>14,521</u>	<u>3,114,947</u>	<u>1,267</u>
Increase (Decrease) in cash and cash equivalents	3,229,731	12,951	697,500	(9,075)
Cash and cash equivalents at June 30, 2005	<u>5,398,865</u>	<u>7,087</u>	<u>1,478,984</u>	<u>19,700</u>
Cash and cash equivalents at June 30, 2006	<u><u>\$ 8,628,596</u></u>	<u><u>\$ 20,038</u></u>	<u><u>\$ 2,176,484</u></u>	<u><u>\$ 10,625</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT C

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total	
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
\$ 504,484	\$ 8,668,176	\$ 1,328,246	\$ 85,586,138	Lease payments received
-	205,842	-	241,830	Other revenue received
(300,000)	(5,150,000)	(725,000)	(42,045,000)	Principal payments on Certificates of Participation
(219,633)	(3,412,571)	(701,424)	(42,915,808)	Interest paid
(117)	(190,493)		(374,808)	Other expenses
-	-	-	-	Certificate of Participation Issuance Costs
				Net Cash Provided By (Used For) Capital and Related Financing Activities
<u>(15,266)</u>	<u>120,954</u>	<u>(98,178)</u>	<u>492,352</u>	
				CASH FLOWS FROM INVESTING ACTIVITIES:
892	11,085	215,136	3,821,701	Investment income
-	-	-	13,204,863	Proceeds from sale of investments
-	-	-	(13,353,186)	Purchase of investments
<u>892</u>	<u>11,085</u>	<u>215,136</u>	<u>3,673,378</u>	Net Cash Provided By (Used) For Investing Activities
(14,374)	132,039	116,958	4,165,730	Increase (Decrease) in cash and cash equivalents
<u>16,173</u>	<u>255,599</u>	<u>3,114,182</u>	<u>10,290,590</u>	Cash and cash equivalents at June 30, 2005
<u>\$ 1,799</u>	<u>\$ 387,638</u>	<u>\$ 3,231,140</u>	<u>\$ 14,456,320</u>	Cash and cash equivalents at June 30, 2006

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES

The Inland Empire Public Facilities Corporation (Corporation) is a nonprofit public benefit corporation, formed on May 30, 1986, to serve the County of San Bernardino (County) by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, land, land improvements, and any other real or personal property for the benefit of residents of the County.

The Corporation's financial statements are presented on the accrual basis of accounting. The Corporation is deemed to be a component unit of the County. Upon termination of the trust and lease agreements, any remaining assets of the Corporation shall become the property of the County. All projects are presented as major proprietary funds.

The Corporation uses the Direct Financing Lease Method to record the lease of the projects to the County. Under this method, when a project is completed, the Corporation records a lease receivable (see Note 4) and the Capital Assets are carried on the books of the lessee (County). Until the project is completed, the expenses for capital assets are carried as Construction in Progress on the books of the Corporation.

The Corporation enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

The Corporation treats all investments with original maturities of three months or less as cash equivalents.

Deferred charges, which consist of Certificate of Participation (COP) issuance costs, and COP premiums/discounts, are amortized over the life of the debt using the straight-line method.

The deferred loss on bond refunding represents the excess of the amount placed in escrow (reacquisition price) over the carrying amount of the refunded bonds and is amortized as a component of interest expense over the remaining life of the refunded bonds (i.e. the shorter of the remaining life of the refunded or refunding bonds).

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows are presented. GASB 34 requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES
(continued)

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

During fiscal year 2004-05, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3."* This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

During fiscal year 2005-2006, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries.

During fiscal year 2005-2006, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 46, *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34*. This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS

Construction and Improvement Project. The Corporation issued Certificates of Participation dated January 15, 1992 in the amount of \$89,905,000. The Corporation applied the proceeds of the sale of the Certificates, together with other available funds, to provide for the defeasance of \$72,760,000 of the \$111,695,000 then outstanding Certificates of Participation originally delivered in 1986 (Prior Certificates). The Corporation issued Variable Certificates of Participation dated January 20, 1995 in the amount of \$40,400,000 (1995 County Center Refinancing Certificates). The proceeds from the sale of the 1995 County Center Refinancing Certificates were used to provide for the defeasance of the remaining outstanding Prior Certificates in the amount of \$36,675,000 and to provide for reimbursement in the amount of \$1,751,174 to the County of San Bernardino. The reimbursement was to finance capital projects within the County. The Corporation issued Certificates of Participation dated July 11, 1996 in the amount of \$39,600,000 (1996 County Center Refinancing Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of the 1995 County Center Refinancing Certificates. The Corporation issued Certificates of Participation dated March 1, 2002 in the amount of \$68,100,000 (2002 Certificates). The Corporation applied the proceeds of the Certificates for the defeasance of the \$66,130,000 outstanding Certificates of Participation originally delivered in 1992.

The Prior Certificates were delivered for a project with these three elements:

- a) The refunding of outstanding Certificates of the San Bernardino Building Authority for the construction of the County Public Government Center.
- b) The refunding of outstanding Certificates of the San Bernardino County Public Improvements Authority for the construction of the Foothill Law and Justice Center.
- c) The financing of certain improvements to the Chino Airport.

The County Government Center is a five-story office complex located at 385 North Arrowhead Avenue in San Bernardino. The Foothill Law and Justice Center is a four-story office and courtroom facility in the City of Rancho Cucamonga. Improvements to the Chino Airport include construction of four aircraft assembly buildings and appropriate site development. These facilities, known as the "Construction and Improvement Project," were leased to the County for lease payments which were designed in both time and amount to pay the principal and interest on the Certificates.

On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1996 County Center Refinancing Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. Substituted property pledged by the

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS *(continued)*

County as collateral for the 1996 Certificates consists of the Central Jail, Offices and Bindery, the Vehicle Services Garage, and the Coroner's Office.

The Foothill Law and Justice Center and the Victorville Law and Justice Center have been pledged by the County as collateral for the 2002 Certificates.

West Valley Detention Center Project: The Corporation issued Certificates of Participation dated May 1, 1992 in the amount of \$117,770,000 to provide for the defeasance of the \$104,745,996 outstanding Certificates of Participation which were delivered and executed in 1988. The 1988 Certificates of Participation were delivered to finance the construction of a detention center located in the City of Rancho Cucamonga and certain related facilities and equipment and acquisition of the site. In addition to providing for the defeasance, the Certificates of Participation were issued to provide for costs of additional improvements to the detention center in the amount of \$2,600,000, and to provide for reimbursement in the amount of \$8,980,336 to the County of San Bernardino. The reimbursement was for a portion of the costs relating to the acquisition of 4.13 acres of real property located in the City of San Bernardino together with a newly constructed office building situated thereon (Reimbursed Project). The Corporation has entered into a lease agreement with San Bernardino County whereby the detention center, known as the "West Valley Detention Center," is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Certificates. The Reimbursed Project is not subject to the lease agreement. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1992 Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. The Corporation issued Certificates of Participation dated October 25, 2001 in the amount of \$8,365,000 (2001 Series A) and \$42,075,000 (2001 Series B). The 2001 Series A Certificates were issued to provide funds to refund on a cross-over basis \$7,785,000 of the outstanding 1992 Certificates. The proceeds of the 2001 Series B Certificates were used to reimburse Bear, Stearns and Co., Inc. for funds advanced by it for the purchase of \$39,825,000 of the outstanding 1992 Certificates. The purchased Certificates were then cancelled. The Corporation issued Certificates of Participation dated August 6, 2002 in the amount of \$44,480,000 (2002 Series A) the proceeds of which were used to refund \$44,545,000 of the outstanding 1992 Certificates. Property pledged by the County as collateral for the 2001 and 2002 Certificates consists of portions of the West Valley Detention Center and the Courthouse and Annex located in the City of San Bernardino.

Medical Center Project: On November 4, 1991, the Board of Directors of the Corporation approved the overall financing program for the construction of the replacement County Medical Center. The project consisted of a hospital to be constructed on the site and hospital equipment. The overall financing plan for the replacement County Medical Center consists of the following phases:

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS *(continued)*

1. Land acquisition financing:

The Corporation issued Certificates of Participation, Series A, dated November 1, 1991, in the amount of \$18,360,000. The proceeds from the sale of the "Series A" Certificates were used to acquire certain parcels of real property, which were used as the site of the hospital.

2. Preconstruction and first phase construction financing:

The Corporation issued Certificates of Participation, Series B, dated January 1, 1992, in the amount of \$246,100,000. The proceeds from the sale of the "Series B" Certificates were to be used to finance a portion of the costs of design, engineering, construction management and construction of the hospital, and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.

On March 2, 1994, the Corporation issued Certificates of Participation dated February 1, 1994 in the amount of \$283,245,000 (1994 Certificates). The proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds for defeasance of the Series A and Series B Certificates. In addition to providing for the defeasance, the proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds to finance a portion of the costs of design, engineering, construction management and construction of the hospital and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.

3. Principal construction financing

On June 28, 1995, the Corporation issued Certificates of Participation dated June 1, 1995 in the amount of \$363,265,000 (1995 Certificates). The proceeds from the sale of the 1995 Certificates were used, together with some of the remaining funds from the issuance of the 1994 Certificates, to provide funds for the defeasance of \$69,640,000 of the \$283,245,000 outstanding 1994 Certificates of Participation. In addition to providing for the defeasance, the proceeds from the sale of the 1995 Certificates were used to provide funds to complete construction and to fund capitalized interest to and including October 1, 1999, and fund a reserve fund deposit.

On January 31, 1996, the Corporation issued Certificates of Participation dated January 1, 1996 in the amount of \$65,070,000 (1996 Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of \$55,000,000 of the \$363,265,000 outstanding 1995 Certificates.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS *(continued)*

On October 22, 1998, the Corporation issued Certificates of Participation dated October 16, 1998 in the amount of \$176,510,000 (1998 Certificates). The proceeds from the sale of the 1998 Certificates were used to advance refund \$160,700,000 of the \$308,265,000 outstanding 1995 Certificates, to fund capitalized interest on the series 1998 Certificates to October 1, 1999, and to pay certain expenses of the transaction.

4. Major equipment acquisition financing

On September 16, 1997, the Corporation issued Certificates of Participation dated August 1, 1997 in the amount of \$121,095,000 (1997 Certificates). The proceeds from the sale of the 1997 Certificates were used to provide funds to finance the acquisition of equipment for the replacement San Bernardino County Medical Center and to fund Capitalized interest to and including August 1, 1999, and fund a reserve fund deposit.

The acquisition and construction of the Project was carried out by the County as the agent of the Corporation pursuant to a Master Agency Agreement, dated as of February 1, 1994. The County has leased the Site to the Corporation pursuant to the Master Site Lease, dated as of February 1, 1994.

The Corporation has entered into a master lease agreement with the County whereby the project (i.e. the hospital) is leased to the County. The County is required under the master lease agreement to make aggregate lease payments which are designed in both time and amount to pay the principal and interest due with respect to the Series 1994 Certificates, the Series 1995 Certificates, the Series 1996 Certificates, the Series 1997 Certificates and the Series 1998 Certificates.

Glen Helen Blockbuster Project. The Corporation issued Certificates of Participation dated December 22, 1994 in the amount of \$7,380,000 (Series C Certificates), Certificates of Participation dated December 6, 1995 in the amount of \$16,510,000 (Series D Certificates) and Certificates of Participation dated December 6, 1995 in the amount of \$4,430,000 (Series E Certificates). The proceeds from the sale of Series C Certificates were used to finance the acquisition, construction, installation and equipping of an interchange at I-15 and Glen Helen Parkway and related roadwork. The proceeds from the sale of the Series D Certificates were used to provide for the defeasance of the outstanding \$14,625,000 Series A Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain public improvements related to the Glen Helen Blockbuster Pavilion (Pavilion Improvements). The proceeds from the sale of the Series E Certificates were used to provide for the defeasance of the outstanding \$3,880,000 Series B Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain improvements to the Glen Helen Park (Park Improvements).

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS *(continued)*

The Corporation issued Certificates of Participation dated May 1, 2003 in the amounts of \$9,825,000 (Series 2003 A Certificates) and \$9,875,000 (Series 2003 B Certificates). The proceeds were used to prepay and refund the outstanding \$6,035,000 of the Series C Certificates, \$9,690,000 of the Series D Certificates and \$3,610,000 of the Series E Certificates. On May 1, 2003, the Corporation approved amendments to the previous Lease Agreements entered into in connection with the issues of Series C, Series D and Series E. The amendments provided for the release of property leased and the substitution of other property owned by the County. The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2003 A and Series 2003 B Certificates. The Landfill is located along the western boundary of the City of Rialto, and currently serves the cities of Rialto, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland, and the unincorporated western valley area of San Bernardino County.

Capital Improvement Refinancing Project: On June 26, 1996, the Corporation issued Certificates of Participation dated June 21, 1996 in the amount of \$9,200,000 (1996 Capital Improvement Refinancing Certificates). The proceeds from the sale of the 1996 Capital Improvement Refinancing Certificates were used to provide for the defeasance of \$13,125,000 in outstanding West Valley Detention Center/County Museum Certificates originally delivered in 1995 to finance the acquisition, construction, installation, and equipping of two dormitories at the West Valley Detention Center.

The Corporation has entered into a lease agreement whereby the Capital Improvement Refinancing Project is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the 1996 Capital Improvement Refinancing Certificates. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the 1996 Capital Improvements Refinancing Certificates. The amendments provided for the release of property leased and the substitution of other property owned by the County. On September 17, 2001, the Corporation approved additional amendments to the Lease Agreement. The amendments provided for the release of certain properties previously pledged. The property currently leased in connection with the 1996 Capital Improvement Refinancing Certificates is the Fontana Government Center.

Solid Waste Financing Project: The Corporation issued Certificates of Participation dated May 1, 2003 in the amount of \$93,875,000 (2003 B Solid Waste Financing Certificates). The proceeds were used to transfer funds to Inland Empire Solid Waste Financing Authority, a joint powers authority of San Bernardino County and San Bernardino County Flood Control District, which were used to refund \$92,120,000 of outstanding Certificates of Participation issued by the Inland Empire Solid Waste Financing Authority.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2: THE PROJECTS *(continued)*

The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the 2003 B Solid Waste Financing Certificates.

Public Improvement Financing Project: The Corporation issued on October 29, 1997, Certificates of Participation dated October 1, 1997 in the amount of \$17,790,000 (Public Improvement Financing Certificates). The proceeds from the sale of the Public Improvement Financing Certificates were primarily used to finance the acquisition, construction, installation and equipping of certain improvements throughout the County consisting generally of (a) the retrofit of lighting and HVAC systems at various County facilities and the upgrade of the PCB ballasts and chiller for the Central Plant, (b) the acquisition of a building located in the City of Ontario to be used for child care services and (c) the construction of a new juvenile hall housing facility and administrative center adjacent to the West Valley Detention Center.

The Corporation has entered into a Lease Agreement whereby the Public Improvement Financing Project, which includes the West Valley Juvenile Detention Center, the Information Services Building, and the Ontario Preschool Building, is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Public Improvement Financing Certificates.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 3: CASH AND INVESTMENTS

Fiscal agents acting on behalf of the Corporation held all cash and investments from long-term debt issuances. In accordance with the terms of the trust agreements, cash and investments are segregated and restricted for specified purposes. The trustee banks for the corporation's projects are as follows:

<u>Project</u>	<u>Trustee</u>
Construction and Improvement Project	BNY Western Trust Company and Wells Fargo Bank, Corporate Trust Services
West Valley Detention Center Project	BNY Western Trust Company
Medical Center Project	Wells Fargo Bank, Corporate Trust Services
Glen Helen Blockbuster Project	Wells Fargo, Corporate Trust Services
Capital Improvement Refinancing Project	J P Morgan, Institutional Trust Services
Solid Waste Financing Project	Wells Fargo Bank, Corporate Trust Services
Public Improvement Financing Project	J P Morgan, Institutional Trust Services

Statement of Net Assets:

Cash and Cash Equivalents	\$ 14,456,320
Investments	<u>64,865,770</u>
Total Cash and Investments	<u><u>\$ 79,322,090</u></u>

As of June 30, 2006, cash and investments consist of the following:

U. S. Treasury Bonds	\$ 22,344,815
Guaranteed Investment Contracts	35,918,259
Fed. Nat. Mtg. Assn. Discount Note	6,602,696
Money Market Funds	<u>14,456,320</u>
	<u><u>\$ 79,322,090</u></u>

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see Note 5) rather than the general provisions of the California Government Code. Certificates of Participation indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 3: CASH AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the measurement of how changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive its fair value is to changes in market interest rates. As a component unit of the County of San Bernardino which uses weighted average maturity to monitor its interest rate risk, the Corporation has elected weighted average maturity for its disclosure method.

As of June 30, 2006, the Corporation's investments were as follows:

<u>Investments (Item Count)</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U. S. Treasury Bonds (2)	11/15/2022	\$ 22,344,815	16.3781
Guaranteed Investment Contracts (4)	07/14/08 - 07/15/26	35,918,259	25.03
Federal National Mtg Assn Discount Note (1)	7/3/2006	6,602,696	.0082
Money Market Funds (4)	7/1/2006	14,456,320	0.00
Total Investments		<u>\$ 79,322,090</u>	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Investments in any one issuer that represent 5 percent or more of total investments are shown below:

<u>Issuer - Guaranteed Investment Contracts</u>	<u>Fair Value</u>
FSA Capital Management Services LLC	\$ 12,689,980
CDC Funding Corp.	12,109,500
MBIA GIC # INC04680	1,412,239
MBIA Investment Management Corp.	9,706,540
	<u>\$ 35,918,259</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker, dealer, or trustee) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 3: CASH AND INVESTMENTS *(continued)*

As of June 30, 2006, the Corporation had investments held by J P Morgan and Wells Fargo Bank where the underlying securities are not insured or registered in the name of the Corporation.

<u>Investment Type</u>	<u>Trustee</u>	<u>Fair Value</u>
U. S. Treasury Bonds	Wells Fargo	\$ 22,344,815
Federal National Mtg Assn Discount Note	Wells Fargo	6,602,696
		<u>\$ 28,947,511</u>

Credit Risk

The Corporation's investments in money market funds were rated Aaa by Moody's Investors Service. The companies with whom the Corporation has guaranteed investment contracts received Aa2 (FSA and MBIA) and Aaa (CDC) long-term senior debt ratings from Moody's. The Federal National Mortgage Association discount notes were rated AAA.

NOTE 4: LEASE RECEIVABLE

The Corporation has entered into an agreement with the County whereby the Projects are leased to the County for lease payments that are equal to the debt service due on the Certificates of Participation. The leases are reported net of Unearned Interest Income which is recognized when received from the County.

The County may, pursuant to the lease agreement, abate the lease payments by the amount of investment interest income earned by the trustee in the lease payment and reserve accounts.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 4: LEASE RECEIVABLE *(continued)*

The future minimum lease/installment payments to be received for each of the five succeeding fiscal years, and the aggregate thereafter are summarized as follows:

Description	2006-07	2007-08	2008-09
Construction and Improvement Project	\$ 10,629,919	\$ 9,359,607	\$ 9,444,890
West Valley Detention Center Project	9,077,558	9,074,983	9,060,657
Medical Center Project	55,429,185	55,426,678	56,464,721
Glen Helen Blockbuster Project	989,423	1,071,840	1,052,130
Capital Improvement Refinancing Project	611,191	582,391	570,631
Solid Waste Financing Project	9,491,133	9,494,183	9,481,440
Public Improvement Financing Project	1,422,014	1,420,895	1,417,530
	<u>\$ 87,650,423</u>	<u>\$ 86,430,577</u>	<u>\$ 87,491,999</u>

Description	2016-21	2021-26	2026-30
Construction and Improvement Project	\$ -	\$ -	\$ -
West Valley Detention Center Project	26,921,644	-	-
Medical Center Project	200,836,623	201,195,494	121,445,232
Glen Helen Blockbuster Project	6,730,896	4,297,667	-
Capital Improvement Refinancing Project	2,673,937	2,729,923	0
Solid Waste Financing Project	9,484,045	-	-
Public Improvement Financing Project	4,471,682	4,188,606	0
	<u>\$ 251,118,827</u>	<u>\$ 212,411,690</u>	<u>\$ 121,445,232</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 4: LEASE RECEIVABLE (*continued*)

2009-10	2010-11	2011-2016	Description
\$ 9,409,420	\$ 9,459,460	\$ 47,061,080	Construction and Improvement Project
9,051,020	9,043,020	45,070,201	West Valley Detention Center Project
39,964,530	40,013,270	200,329,647	Medical Center Project
1,033,159	988,923	4,938,557	Glen Helen Blockbuster Project
558,871	547,111	2,750,108	Capital Improvement Refinancing Project
9,477,043	9,479,434	47,433,911	Solid Waste Financing Project
1,421,415	1,417,350	4,661,675	Public Improvement Financing Project
<u>\$ 70,915,458</u>	<u>\$ 70,948,568</u>	<u>\$ 352,245,179</u>	

Total Lease Payments	Unearned Interest	Lease Receivable	Description
\$ 95,364,376	\$ (37,160,716)	\$ 58,203,660	Construction and Improvement Project
117,299,083	(43,470,559)	73,828,524	West Valley Detention Center Project
971,105,380	(468,770,726)	502,334,654	Medical Center Project
21,102,595	(10,749,743)	10,352,852	Glen Helen Blockbuster Project
11,024,163	(5,100,755)	5,923,408	Capital Improvement Refinancing Project
104,341,189	(24,584,432)	79,756,757	Solid Waste Financing Project
20,421,167	(8,490,725)	11,930,442	Public Improvement Financing Project
<u>\$ 1,340,657,953</u>	<u>\$ (598,327,656)</u>	<u>\$ 742,330,297</u>	

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT

The following is a summary of changes in the Certificates of Participation for the fiscal year ended June 30, 2006:

Description	July 1, 2005	Additions	Reductions	June 30, 2006	Due Within One Year
Construction and Improvement Project					
1996 County Center Refinancing	\$ 27,500,000	\$ -	\$ 2,000,000	\$ 25,500,000	\$ 2,100,000
Regular Certificates (Series 2002)	60,190,000	-	4,180,000	56,010,000	4,305,000
West Valley Detention Center Project					
2001 Series A	8,365,000	-	70,000	8,295,000	115,000
2001 Series B	39,155,000	-	4,580,000	34,575,000	4,775,000
2002 Series A	44,005,000	-	190,000	43,815,000	195,000
Medical Center Project					
Series 1994	190,875,000	-	4,470,000	186,405,000	4,515,000
Series 1995	123,035,000	-	5,875,000	117,160,000	6,420,000
Series 1996	65,070,000	-	-	65,070,000	-
Series 1997	60,820,000	-	14,005,000	46,815,000	14,800,000
Series 1998	176,510,000	-	-	176,510,000	-
Glen Helen Blockbuster Project					
Series 2003 A	9,175,000	-	350,000	8,825,000	350,000
Series 2003 B	5,525,000	-	150,000	5,375,000	50,000
Capital Improvement Refinancing Project	8,000,000	-	300,000	7,700,000	300,000
Solid Waste Financing Project	84,325,000	-	5,150,000	79,175,000	5,450,000
Public Improvement Financing Project	14,200,000	-	725,000	13,475,000	755,000
	<u>\$916,750,000</u>	<u>\$ -</u>	<u>\$42,045,000</u>	<u>\$874,705,000</u>	<u>\$44,130,000</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

The annual requirements to amortize all long-term debt outstanding June 30, 2006, including interest payments of \$ 471,418,339 over the life of the debt, are summarized as follows:

Description	2006-07	2007-08	2008-09
Construction and Improvement Project			
1996 County Center Refinancing**	\$ 4,026,931	\$ 2,889,670	\$ 2,904,090
Regular Certificates (Series 2002)	6,537,562	6,536,463	6,397,868
West Valley Detention Center Project			
2001 Series A	458,633	875,433	874,645
2001 Series B	6,138,175	5,659,150	5,642,875
2002 Series A	2,480,750	2,540,400	2,543,138
Medical Center Project			
Series 1994	14,525,419	12,889,200	12,888,100
Series 1995	13,434,762	15,071,244	15,070,725
Series 1996	3,261,488	3,261,488	3,319,912
Series 1997	16,812,630	16,809,860	16,812,045
Series 1998	7,394,886	7,394,886	8,373,939
Glen Helen Blockbuster Project			
Series 2003 A*	655,584	667,522	679,020
Series 2003 B*	333,839	404,318	373,109
Capital Improvement Refinancing Project**	611,191	582,391	570,631
Solid Waste Financing Project*	9,491,133	9,494,183	9,481,440
Public Improvement Financing Project	1,422,014	1,420,895	1,417,530
	<u>\$ 87,584,997</u>	<u>\$ 86,497,103</u>	<u>\$ 87,349,067</u>

Description	2011-16	2016-21	2021-26
Construction and Improvement Project			
1996 County Center Refinancing**	\$ 14,467,879	\$ -	\$ -
Regular Certificates (Series 2002)	32,014,675	6,360,125	-
West Valley Detention Center Project			
2001 Series A	4,355,976	2,604,475	-
2001 Series B	11,215,700	-	-
2002 Series A	29,498,525	24,317,169	-
Medical Center Project			
Series 1994	63,856,350	73,103,088	87,167,926
Series 1995	37,197,813	49,534,513	14,579,725
Series 1996	17,869,994	17,860,706	17,864,875
Series 1997	-	-	-
Series 1998	81,405,491	49,136,475	92,784,811
Glen Helen Blockbuster Project			
Series 2003 A*	3,299,015	3,326,720	1,972,895
Series 2003 B*	1,639,542	3,404,176	2,324,770
Capital Improvement Refinancing Project**	2,750,108	2,673,938	2,729,923
Solid Waste Financing Project*	47,433,911	9,484,044	-
Public Improvement Financing Project	4,661,675	4,471,681	4,188,606
	<u>\$ 351,666,654</u>	<u>\$ 246,277,110</u>	<u>\$ 223,613,531</u>

*..Interest is paid every 7th and 28th day at a variable auction interest rate. Interest is based on the June 30, 2006 interest rate.

** Interest is paid monthly, computed at a variable weekly interest rate. Interest is based on the June 30, 2006; interest rate.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

2009-10	2010-11	Description
		Construction and Improvement Project
\$ 2,926,438	\$ 2,921,260	1996 County Center Refinancing**
6,447,800	6,399,000	Regular Certificates (Series 2002)
		West Valley Detention Center Project
877,958	873,956	2001 Series A
5,632,750	5,627,900	2001 Series B
2,540,313	2,541,163	2002 Series A
		Medical Center Project
12,885,300	12,772,725	Series 1994
15,074,475	15,186,425	Series 1995
3,574,806	3,572,350	Series 1996
-	-	Series 1997
8,429,949	8,481,770	Series 1998
		Glen Helen Blockbuster Project
665,344	650,347	Series 2003 A*
367,816	338,576	Series 2003 B*
558,871	547,111	Capital Improvement Refinancing Project**
9,477,043	9,479,434	Solid Waste Financing Project*
1,421,415	1,417,350	Public Improvement Financing Project
<u>\$ 70,880,278</u>	<u>\$ 70,809,367</u>	
2026-31	Total	Description
		Construction and Improvement Project
\$ -	\$ 30,136,268	1996 County Center Refinancing**
-	70,693,493	Regular Certificates (Series 2002)
		West Valley Detention Center Project
-	10,921,076	2001 Series A
-	39,916,550	2001 Series B
-	66,461,458	2002 Series A
		Medical Center Project
44,754,750	334,842,858	Series 1994
-	175,149,682	Series 1995
61,570,250	132,155,869	Series 1996
-	50,434,535	Series 1997
15,120,232	278,522,439	Series 1998

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

Source of Payment. The ability of the Corporation to pay its obligation is dependent upon receipt of payments from the County of San Bernardino in accordance with various Lease Agreements. Under the Lease Agreements the County is required to make lease payments in each year, from any source of legally available funds, in an amount sufficient to pay the annual principal and interest with respect to the Certificates of Participation. The obligation of the County to make lease payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation, or for which the County has levied or pledged any form of taxation. Neither the Certificates, nor the obligation of the County to make such lease payments, constitutes any indebtedness of the County.

Construction and Improvement Project. The Corporation issued Certificates of Participation in the amount of \$68,100,000, consisting of \$61,575,000 Series 2002A Certificates and \$6,525,000 Taxable Series 2002A-T the "2002 Certificates," dated March 1, 2002. Interest rates range from 3.00 percent to 5.00 percent with July 1, 2016 final maturity date. The 2002 Certificates are not subject to optional prepayment prior to maturity.

On July 11, 1996, the Corporation issued "Variable Rate Demand" Certificates in the amount of \$39,600,000 due July 1, 2015. Interest on the Variable Rate Demand Certificates is payable at a variable weekly interest rate.

The Variable Rate Demand Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. During any Long-Term Interest Rate Period, the Certificates are subject to redemption in whole at any time or in part, on any interest payment date, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Premium
Greater than 15	After 10 years at 2%, declining by 1% each year to 0%
Less than or equal to 15 and greater than 10	After 7 years at 2%, declining by 1% each year to 0%
Less than or equal to 10 and greater than 7	After 5 years at 2%, declining by 1% each year to 0%
Less than or equal to 7 and greater than 4	After 3 years at 1%, declining by 1% after a year to 0%
Less than or equal to 4	After 2 years at 0%

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

West Valley Detention Center Project. On October 25, 2001, the Corporation issued "2001 Series A" Certificates of Participation in the amount of \$8,365,000 and "2001 Series B" Certificates of Participation in the amount of \$42,075,000. 2001 Series A Certificates bear interest rates from 4.00 percent to 4.60 percent. The 2001 Series B Certificates bear interest rates from 3.50 percent to 4.00 percent.

On August 6, 2002 the Corporation issued "2002 Series A" Certificates of Participation in the amount of \$44,480,000 which bear interest rates from 4.50 percent to 5.25 percent.

The 2001 Series A, 2001 Series B and 2002 Series A Certificates are subject to optional prepayment prior to maturity on or after November 1, 2011 at the option of the Corporation, as a whole or in part on any interest payment date, at the following premiums, plus accrued but unpaid interest to the prepayment date:

<u>Prepayment Period</u>	<u>Premium</u>
November 1, 2011 through October 31, 2012	2%
November 1, 2012 through October 31, 2013	1%
November 1 2013, and thereafter	0%

Medical Center Project. The Medical Center Series 1994 Certificates of Participation were issued by the Corporation dated February 1, 1994, in the amount of \$283,245,000, with interest rates from 4.60 percent to 7.00 percent.

The Series 1994 Certificates maturing on August 1, 2005, August 1, 2006, August 1, 2019, August 1, 2024, August 1, 2026, and August 1, 2028, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2004, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2004 to July 31, 2005	2%
August 1, 2005 to July 31, 2006	1%
August 1, 2006 and thereafter	0%

The Series 1994 Certificates maturing through August 1, 2009, August 1, 2017, August 1, 2020, and August 1, 2022, are not subject to optional redemption prior to maturity.

The Medical Center Series 1995 Certificates of Participation were issued by the Corporation dated June 1, 1995, in the amount of \$363,265,000, with interest rates from 4.80 percent to 7.00 percent.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

The Series 1995 Certificates maturing on August 1, 2022, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2005, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2005 to July 31, 2006	2%
August 1, 2006 to July 31, 2007	1%
August 1, 2007 and thereafter	0%

The Series 1995 Certificates maturing on and prior to August 1, 2010 and on August 1, 2017 are not subject to optional redemption prior to maturity.

The Medical Center Series 1996 Certificates of Participation were issued by the Corporation dated January 1, 1996, in the amount of \$65,070,000, with interest rates from 5 percent to 5.25 percent.

The Series 1996 Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2006, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2006 to July 31, 2007	2%
August 1, 2007 to July 31, 2008	1%
August 1, 2008 and thereafter	0%

The Medical Center Series 1997 Certificates of Participation were issued by the Corporation dated September 1, 1997, in the amount of \$121,095,000, with interest rates from 4.30% to 5.50 percent.

The Series 1997 Certificates are not subject to optional redemption prior to maturity.

The Medical Center Series 1998 Certificates of Participation dated October 22, 1998 were issued by the Corporation in the amount of \$176,510,000. Interest with respect to the Certificates is payable at an adjustable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation. The Corporation entered into an interest rate swap agreement with Merrill Lynch Capital Services, Inc. which provides that the Corporation will pay a fixed rate of 4.1895% to the Swap Provider on a notional amount equal to the principal amount of the Series 1998 Certificates and the Swap Provider will pay interest to the Corporation at a variable rate of interest on the notional amount, such payments to be made on a net basis (see Note 6).

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

The Series 1998 Certificates are subject to optional redemption prior to their maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption as follows:

- (a) Prior to the Conversion Date to fixed interest rate, at a redemption price equal to the principal amount called for redemption without premium.
- (b) After the Conversion Date, at a redemption price of 100% of the principal amount plus a premium to be determined on or prior to the Conversion Date.

Glen Helen Blockbuster Project. On May 1, 2003 the Corporation issued Certificates of Participation in the amount of \$19,700,000, consisting of \$9,825,000 (Series 2003 A Certificates) and \$9,875,000 (Series 2003 B Certificates) with March 1, 2024 final maturity date. Interest with respect to the Series 2003 A Certificates is payable at an adjustable weekly rate determined pursuant to the Dutch Auction procedures, with the maximum rate being 12 percent per annum. Interest with respect to the Series 2003 B certificates is payable every fourth Thursday after May 8, 2003 at an adjustable rate determined pursuant to the Dutch Auction procedures, with the maximum being 17 percent per annum. The Rate Period for either Series of Certificates may be converted from a Dutch Auction Rate Period to a different Rate Period.

At the option of the Corporation, either Series of Certificates may be converted to bear interest at a Daily Rate, Weekly Rate, Commercial Paper Rates or a Long Term Rate. On the Conversion Date, such series of Certificates shall be subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest.

While either Series of Certificates bears interest at a Dutch Auction Rate, such Certificates shall be subject to mandatory conversion to an Interest Rate Mode other than the Dutch Auction Rate if such Certificates are rated either less than "A3" by Moody's Investors Service or less than "A-" by Standard & Poor's.

While a Dutch Auction Rate Period is in effect with respect to either Series of Certificates, such Certificates will be subject to prepayment prior to their stated maturity at the option of the Corporation, in whole or in part, by lot, at the principal amount thereof, plus interest accrued thereon to the date fixed for prepayment, without premium.

The Series 2003 A and Series 2003 B Certificates are also subject to mandatory prepayment prior to their stated maturity in part from mandatory sinking account payments established pursuant to the Trust Agreement on any March 1 or September 1 on or after September 1, 2003, at the principal amount thereof together with interest accrued thereon to the date fixed for payment, without premium.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

Capital Improvement Refinancing Project. The 1996 Capital Improvement Refinancing Certificates of Participation were issued by the Corporation dated June 21, 1996, in the amount of \$9,200,000. Interest with respect to the Certificates is payable at a variable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation.

The 1996 Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. From and after the conversion date (to fixed interest rate), the Certificates are subject to redemption in whole at any time or in part on any interest payment date, with prior consent of the Letter of Credit Bank, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

<u>Period to Maturity (in years)</u>	<u>Redemption Dates and Premiums</u>
Greater than 15	On or after the first March 1 following the ninth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 10	On or after the first March 1 following the seventh anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 5	On or after the first March 1 following the fourth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.

Solid Waste Financing Project. On May 1, 2003 the Corporation issued Certificates of Participation in the amount of \$93,875,000 (the "Series 2003 B Certificates") with March 1, 2017 final maturity date. The descriptions pertaining to Series 2003 B Certificates (Glen Helen Blockbuster Project) are applicable to these Series 2003 B as they were issued together as the 2003 Refunding Certificates.

Public Improvement Financing Project. The Public Improvement Financing Certificates were issued by the Corporation dated October 1, 1997, in the amount of \$17,790,000, with interest rates from 3.85 percent to 5 percent.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (continued)

The Certificates maturing on or before October 1, 2007, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, 2008, are subject to redemption in whole or in part on any date on or after October 1, 2007, at the principal amount with respect thereto, together with the premium set forth below, together with accrued interest unpaid with respect thereto to the date fixed for redemption, from the proceeds of optional prepayments of Lease Payments made by the County pursuant to the Lease Agreement:

<u>Redemption Dates</u>	<u>Premium</u>
October 1, 2007 through September 30, 2008	2%
October 1, 2008 through September 30, 2009	1%
October 1, 2009 and thereafter	0%

NOTE 6: INTEREST RATE SWAP

Objective of the interest rate swap. As a means to lower financing costs, and to reduce the risks to the Corporation associated with the fluctuation in the market interest rates, the Corporation entered into an interest rate swap in connection with the Medical Center Series 1998 Certificates of Participation (Series 1998 Certificates) in the amount of \$176,510,000. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 4.1895 percent.

Terms. The Series 1998 Certificates and the related agreement mature on August 1, 2026, and the swap's notional amount of \$176,510,000 matches the \$176,510,000 variable-rate Series 1998 Certificates. The swap was effective at the same time the Series 1998 Certificates were issued on October 22, 1998. Starting in fiscal year 2008-09, the notional value of the swap and the principal amount of the associated debt decline. Under the swap agreement, through August 1, 2005, the Corporation pays Merrill Lynch a fixed rate of 4.1895 percent and Merrill Lynch paid the Corporation an amount equal to the variable rate interest payable on the outstanding Series 1998 Certificates. As of August 1, 2005 the Corporation paid Merrill Lynch a fixed payment of 4.1895 percent and receives from Merrill Lynch a variable payment computed as 73 percent of the monthly London Interbank Offered Rate (LIBOR). Conversely, the Series 1998 Certificates variable-rate coupons have historically been similar to the Bond Market Association Swap Index (BMA).

Fair Value. Because interest rates have risen since the execution of the swap, the swap had a positive fair value of \$435,988 as of June 30, 2006. The swap's positive fair value may be countered by an increase in total anticipated future interest payments required under the variable-rate bonds, creating a higher synthetic interest rate. Because the coupons on the variable-rate Series 1998 Certificates adjust to changing interest rates, the Series 1998 Certificates do not have a corresponding fair value

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 6: INTEREST RATE SWAP (continued)

increase. The fair value was the quoted market price from Merrill Lynch at June 30, 2006.

Credit Risk. As of June 30, 2006, the Series 1998 Certificates were exposed to credit risk because the swaps had a positive fair value. The exposed credit risk is in the amount of the derivative's fair value. The swap counterparty was rated Aa3 by Moody's and A+ by Standard & Poor as of June 30, 2006. The swap agreement specifies that if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below A- (Standard & Poor) or A3 (Moody's) a collateral agreement will be executed within 30 days or the swap agreement will terminate.

Basis Risk. The swap exposes the Corporation to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the Series 1998 Certificates. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2006, the BMA rate was 3.97%percent, the actual variable interest rate was 3.87 percent, and 73% percent of LIBOR was 3.89%percent.

Termination Risk. The Corporation or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Corporation if Merrill Lynch credit quality rating falls below A- as issued by Standard & Poor or A3 by Moody's. If the swap is terminated, the variable-rate Series 1998 Certificates would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Corporation would be liable to Merrill Lynch for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2006, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate Series 1998 Certificates interest payments and net swap payments will vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2006/07	\$ -	\$ 6,830,937	\$ 521,415	\$ 7,352,352
2007/08	-	6,830,937	521,415	\$ 7,352,352
2008/09	1,000,000	6,811,587	519,938	\$ 8,331,525
2009/10	1,100,000	6,770,952	516,836	\$ 8,387,788
2010-11	1,200,000	6,726,447	513,439	\$ 8,439,886
2011-27	173,210,000	60,261,899	4,599,876	\$ 238,071,775
	<u>\$ 176,510,000</u>	<u>\$ 94,232,759</u>	<u>\$ 7,192,919</u>	<u>\$ 277,935,678</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 7: PRIOR YEARS' DEFEASANCE OF DEBT

In the prior years, the Corporation defeased certain Certificates of Participation by placing proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the Certificates of Participation. Accordingly, the trust account assets and liability for the defeased certificates are not included in the Corporation's financial statements. At June 30, 2006, Certificates of Participation outstanding considered defeased are as follows:

<u>Defeased Debt</u>	<u>Amount</u>	<u>Refunded By</u>
1992 Medical Center	\$ 61,070,000	1994 Medical Center

NOTE 8: ARBITRAGE PAYABLE

The exclusion, under Section 103(a) of the Internal Revenue Code of 1986, from gross income for federal income tax purposes of the interest component of Lease Payments (and the interest payable with respect to the Certificates) is based on compliance with certain requirements of the Code. Included among such requirements of Section 148(f) of the Code is that certain excess investment earnings be rebated to the federal government.

Rebatable arbitrage (if any) is required to be paid to the federal government following the end of each period of five bond years during the term of the Lease Agreement (and Certificates of Participation). The Corporation has estimated the amount of rebatable arbitrage (excess investment earnings) as of June 30, 2006 as follows:

Medical Center Project	\$ 191,152
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NOTE 9: NET ASSETS/DEFICITS

The deficit was caused by a timing difference in recognition of revenue and expenses. Due to refunding of certain debt issues, costs, which otherwise would have been deferred, were accelerated into expenses.

Construction and Improvement Project Fund: The deficit was caused by the refunding of four debt issues resulting in a loss on refunding in the amount of \$37.8 million.

The first refunding resulted in a \$9.0 million loss on refunding during 1984-85. The refunded debt was the Certificates of Participation that originally financed the County

Government Center. The second refunding involved a \$15.1 million loss on refunding during 1986-87. During this time, two Certificates of Participation issues were merged

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 9: NET ASSETS/DEFICITS (*continued*)

into a single issue. The two Certificate issues were the County Government Center Certificates (previously refunded in 1984-85) and the original Foothill Law and Justice Certificates. The third refunding involved a \$6.9 million loss on refunding during 1991-92. During this time, a portion of the 1986 Certificates of Participation were refunded.

All losses on refunding consisted of prepaid interest, the difference in the amount placed in the escrow for redemption of the Certificates and the amount of Certificates removed from the Corporation's accounting records, redemption premiums, write-offs of Certificates issuance costs and write-offs of discounts on Certificates.

West Valley Detention Center Project: The deficit was caused by two debt refunding issues, an operating transfer and a timing difference in the expense of the interest of the 1988 Capital Appreciation Certificates and the collection of the associated lease revenue.

The first debt refunding involved an \$8.8 million loss on refunding during 1991-92. During this time, 1988 Current Interest Certificates and 1988 Capital Appreciation Certificates were refunded.

The second debt refunding involved a \$2 million loss on refunding during 2002-03. During this time, 1992 Series Certificates were refunded

The loss on refunding was composed of the difference in the amount placed in the escrow for redemption of the Certificates and the amount of Certificates removed from the Corporation's accounting records, write-offs of Certificates issuance costs, write-offs of discounts on Certificates, and the unappreciated balance of the Capital Appreciation Certificates.

Glen Helen Blockbuster Project: The deficit was caused by a timing difference in recognition of lease interest income and amortization of costs of issuance on Certificates and deferred amount on refinancing.

Capital Improvement Refinancing Project: The deficit was caused by a timing difference in recognition of lease interest income and amortization of costs of issuance on Certificates and deferred amount on refinancing.

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**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006**

**CONSTRUCTION AND IMPROVEMENT PROJECT
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Total Payment</u>
2006-07	\$ 4,026,930.98
2007-08	2,889,669.92
2008-09	2,904,089.88
2009-10	2,914,620.24
2010-11	2,921,259.96
2011-12	2,924,010.08
2012-13	2,922,870.08
2013-14	3,013,949.84
2014-15	2,905,030.12
2015-16	2,702,019.81
	<u>\$ 30,124,450.91</u>

Schedule Two

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006**

**CONSTRUCTION AND IMPROVEMENT CENTER PROJECT
SERIES 2002**

<u>Fiscal Year</u>	<u>Due December 15</u>	<u>Due June 15</u>	<u>Total Payment</u>
2006-07	1,083,993.75	5,518,993.75	6,602,987.50
2007-08	1,017,468.75	5,452,468.75	6,469,937.50
2008-09	945,400.00	5,595,400.00	6,540,800.00
2009-10	852,400.00	5,642,400.00	6,494,800.00
2010-11	756,600.00	5,781,600.00	6,538,200.00
2011-12	656,100.00	5,811,100.00	6,467,200.00
2012-13	553,000.00	6,028,000.00	6,581,000.00
2013-14	443,500.00	6,028,500.00	6,472,000.00
2014-15	303,875.00	6,253,875.00	6,557,750.00
2015-16	155,125.00	6,360,125.00	6,515,250.00
	<u>\$ 6,767,462.50</u>	<u>\$ 58,472,462.50</u>	<u>\$ 65,239,925.00</u>

Schedule Three

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2006-07	287,966.25	170,666.25	458,632.50
2007-08	715,666.25	159,766.25	875,432.50
2008-09	724,766.25	149,878.75	874,645.00
2009-10	739,878.75	138,078.75	877,957.50
2010-11	748,078.75	125,878.75	873,957.50
2011-12	760,878.75	113,178.75	874,057.50
2012-13	768,178.75	100,078.75	868,257.50
2013-14	785,078.75	86,036.25	871,115.00
2014-15	801,036.25	70,842.50	871,878.75
2015-16	815,842.50	54,825.00	870,667.50
2016-17	829,825.00	37,775.00	867,600.00
2017-18	847,775.00	19,550.00	867,325.00
2018-19	869,550.00	-	869,550.00
	<u>\$ 9,694,521.25</u>	<u>\$ 1,226,555.00</u>	<u>\$ 10,921,076.25</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2006-07	\$ 5,511,150	627,025.00	\$ 6,138,175
2007-08	\$ 5,122,025	537,125.00	\$ 5,659,150
2008-09	\$ 5,187,125	455,750.00	\$ 5,642,875
2009-10	\$ 5,295,750	337,000.00	\$ 5,632,750
2010-11	\$ 5,392,000	235,900.00	\$ 5,627,900
2011-12	\$ 5,500,900	109,900.00	\$ 5,610,800
2012-13	\$ 5,604,900	-	\$ 5,604,900
	<u>\$ 37,613,850</u>	<u>\$ 2,302,700</u>	<u>\$ 39,916,550</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT – 2002 SERIES A

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2006-07	1,340,068.75	1,140,681.25	2,480,750.00
2007-08	1,405,681.25	1,134,718.75	2,540,400.00
2008-09	1,414,718.75	1,128,418.75	2,543,137.50
2009-10	1,418,418.75	1,121,893.75	2,540,312.50
2010-11	1,426,893.75	1,114,268.75	2,541,162.50
2011-12	1,439,268.75	1,106,143.75	2,545,412.50
2012-13	1,446,143.75	1,097,643.75	2,543,787.50
2013-14	7,212,643.75	937,125.00	8,149,768.75
2014-15	7,367,125.00	768,337.50	8,135,462.50
2015-16	7,533,337.50	590,756.25	8,124,093.75
2016-17	7,715,756.25	403,725.00	8,119,481.25
2017-18	7,898,725.00	206,981.25	8,105,706.25
2018-19	8,091,981.25	-	8,091,981.25
	<u>\$ 55,710,762.50</u>	<u>\$ 10,750,693.75</u>	<u>\$ 66,461,456.25</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT - SERIES 1994

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2006-07	9,579,468.75	4,945,950.00	14,525,418.75
2007-08	8,035,950.00	4,853,250.00	12,889,200.00
2008-09	8,133,250.00	4,754,850.00	12,888,100.00
2009-10	8,234,850.00	4,650,450.00	12,885,300.00
2010-11	8,220,450.00	4,552,275.00	12,772,725.00
2011-12	8,327,275.00	4,448,462.50	12,775,737.50
2012-13	8,438,462.50	4,338,737.50	12,777,200.00
2013-14	8,543,737.50	4,223,100.00	12,766,837.50
2014-15	8,668,100.00	4,100,862.50	12,768,962.50
2015-16	8,795,862.50	3,971,750.00	12,767,612.50
2016-17	8,936,750.00	3,835,212.50	12,771,962.50
2017-18	9,070,212.50	3,691,250.00	12,761,462.50
2018-19	11,156,250.00	3,485,962.50	14,642,212.50
2019-20	11,365,962.50	3,269,262.50	14,635,225.00
2020-21	15,449,262.50	2,842,962.50	18,292,225.00
2021-22	15,412,962.50	2,497,287.50	17,910,250.00
2022-23	15,787,287.50	2,131,812.50	17,919,100.00
2023-24	16,221,812.50	1,744,337.50	17,966,150.00
2024-25	16,634,337.50	1,334,862.50	17,969,200.00
2025-26	14,394,862.50	1,008,362.50	15,403,225.00
2026-27	14,733,362.50	665,237.50	15,398,600.00
2027-28	14,340,237.50	340,456.25	14,680,693.75
2028-29	14,675,456.25	-	14,675,456.25
	<u>\$ 263,156,162.50</u>	<u>\$ 71,686,693.75</u>	<u>\$ 334,842,856.25</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT - SERIES 1995

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2006-07	10,019,668.75	3,415,093.75	13,434,762.50
2007-08	11,900,093.75	3,171,150.00	15,071,243.75
2008-09	12,216,150.00	2,854,575.00	15,070,725.00
2009-10	12,559,575.00	2,514,900.00	15,074,475.00
2010-11	13,039,900.00	2,146,525.00	15,186,425.00
2011-12	5,391,525.00	2,041,062.50	7,432,587.50
2012-13	5,506,062.50	1,928,450.00	7,434,512.50
2013-14	5,633,450.00	1,808,037.50	7,441,487.50
2014-15	5,763,037.50	1,679,500.00	7,442,537.50
2015-16	5,904,500.00	1,542,187.50	7,446,687.50
2016-17	11,087,187.50	1,257,175.00	12,344,362.50
2017-18	11,397,175.00	954,250.00	12,351,425.00
2018-19	8,104,250.00	757,625.00	8,861,875.00
2019-20	8,317,625.00	549,725.00	8,867,350.00
2020-21	6,729,725.00	379,775.00	7,109,500.00
2021-22	7,099,775.00	194,975.00	7,294,750.00
2022-23	7,284,975.00	-	7,284,975.00
	<u>\$ 147,954,675.00</u>	<u>\$ 27,195,006.25</u>	<u>\$ 175,149,681.25</u>

Schedule Eight

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT - SERIES 1996

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2006-07	1,630,743.75	1,630,743.75	3,261,487.50
2007-08	1,630,743.75	1,630,743.75	3,261,487.50
2008-09	1,690,743.75	1,629,168.75	3,319,912.50
2009-10	1,954,168.75	1,620,637.50	3,574,806.25
2010-11	1,960,637.50	1,611,712.50	3,572,350.00
2011-12	1,971,712.50	1,602,262.50	3,573,975.00
2012-13	1,982,262.50	1,592,287.50	3,574,550.00
2013-14	1,992,287.50	1,581,787.50	3,574,075.00
2014-15	2,001,787.50	1,570,762.50	3,572,550.00
2015-16	2,015,762.50	1,559,081.25	3,574,843.75
2016-17	2,024,081.25	1,546,875.00	3,570,956.25
2017-18	2,036,875.00	1,534,625.00	3,571,500.00
2018-19	2,049,625.00	1,521,750.00	3,571,375.00
2019-20	2,066,750.00	1,508,125.00	3,574,875.00
2020-21	2,078,125.00	1,493,875.00	3,572,000.00
2021-22	2,093,875.00	1,478,875.00	3,572,750.00
2022-23	2,108,875.00	1,463,125.00	3,572,000.00
2023-24	2,128,125.00	1,446,500.00	3,574,625.00
2024-25	2,141,500.00	1,429,125.00	3,570,625.00
2025-26	2,164,125.00	1,410,750.00	3,574,875.00
2026-27	8,530,750.00	1,232,750.00	9,763,500.00
2027-28	25,262,750.00	632,000.00	25,894,750.00
2028-29	25,912,000.00	-	25,912,000.00
	<u>\$ 99,428,306.25</u>	<u>\$ 32,727,562.50</u>	<u>\$ 132,155,868.75</u>

Schedule Nine

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006**

MEDICAL CENTER PROJECT - SERIES 1997

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2006-07	16,009,815.00	802,815.00	16,812,630.00
2007-08	16,407,815.00	402,045.00	16,809,860.00
2008-09	16,812,045.00	-	16,812,045.00
	<u>\$ 49,229,675.00</u>	<u>\$ 1,204,860.00</u>	<u>\$ 50,434,535.00</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT - SERIES 1998

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2006-07	3,697,443.23	3,697,443.23	7,394,886.46
2007-08	3,697,443.23	3,697,443.23	7,394,886.46
2008-09	4,697,443.23	3,676,495.73	8,373,938.96
2009-10	4,776,495.73	3,653,453.48	8,429,949.21
2010-11	4,853,453.48	3,628,316.48	8,481,769.96
2011-12	12,828,316.48	3,435,599.48	16,263,915.96
2012-13	13,035,599.48	3,234,503.48	16,270,102.96
2013-14	13,234,503.48	3,025,028.48	16,259,531.96
2014-15	13,525,028.48	2,805,079.73	16,330,108.21
2015-16	13,705,079.73	2,576,751.98	16,281,831.71
2016-17	8,976,751.98	2,442,687.98	11,419,439.96
2017-18	9,142,687.98	2,302,339.73	11,445,027.71
2018-19	11,002,339.73	2,120,096.48	13,122,436.21
2019-20	11,220,096.48	1,929,474.23	13,149,570.71
2020-21	9,429,474.23	1,772,367.98	11,201,842.21
2021-22	9,872,367.98	1,602,693.23	11,475,061.21
2022-23	10,002,693.23	1,426,734.23	11,429,427.46
2023-24	17,626,734.23	1,087,384.73	18,714,118.96
2024-25	17,987,384.73	733,371.98	18,720,756.71
2025-26	20,933,371.98	310,232.48	21,243,604.46
2026-27	15,120,232.48	-	15,120,232.48
	<u>\$ 229,364,941.58</u>	<u>\$ 49,157,498.35</u>	<u>\$ 278,522,439.93</u>

Schedule Eleven

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

GLEN HELEN BLOCKBUSTER PROJECT
SERIES 2003 A

<u>Fiscal Year</u>	<u>Total Payment</u>
2006-07	655,584.05
2007-08	667,522.20
2008-09	679,020.45
2009-10	665,343.73
2010-11	650,347.09
2011-12	664,939.65
2012-13	669,977.45
2013-14	654,536.29
2014-15	663,370.55
2015-16	646,191.34
2016-17	680,806.04
2017-18	659,570.26
2018-19	665,312.79
2019-20	645,929.30
2020-21	675,101.64
2021-22	654,806.64
2022-23	658,356.90
2023-24	659,731.92
	<u>\$ 11,916,448.29</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

GLEN HELEN BLOCKBUSTER PROJECT
SERIES 2003 B

<u>Fiscal Year</u>	<u>Total Payment</u>
2006-07	333,839.05
2007-08	404,318.20
2008-09	373,109.39
2009-10	367,815.62
2010-11	338,575.52
2011-12	358,562.49
2012-13	329,318.73
2013-14	317,319.77
2014-15	322,705.21
2015-16	311,635.97
2016-17	285,505.74
2017-18	776,329.68
2018-19	771,856.79
2019-20	789,434.35
2020-21	781,049.48
2021-22	771,297.40
2022-23	786,629.20
2023-24	766,843.75
	<u>\$ 9,186,146.34</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

CAPITAL IMPROVEMENT REFINANCING PROJECT

<u>Fiscal Year</u>	<u>Total Payment</u>
2006-07	611,190.92
2007-08	582,390.82
2008-09	570,630.68
2009-10	558,870.70
2010-11	547,110.90
2011-12	535,350.76
2012-13	523,590.78
2013-14	511,830.64
2014-15	597,507.74
2015-16	581,827.84
2016-17	566,147.76
2017-18	550,467.68
2018-19	534,787.60
2019-20	519,107.52
2020-21	503,427.78
2021-22	585,184.62
2022-23	565,584.60
2023-24	545,984.76
2024-25	526,384.58
2025-26	506,784.56
	<u>\$ 11,024,163.24</u>

Schedule Fourteen

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006**

**SOLID WASTE FINANCING PROJECT
SERIES 2003 B**

<u>Fiscal Year</u>	<u>Total Payment</u>
2006-07	9,491,132.80
2007-08	9,494,183.34
2008-09	9,481,440.11
2009-10	9,477,042.71
2010-11	9,479,434.38
2011-12	9,488,480.20
2012-13	9,477,116.70
2013-14	9,494,023.95
2014-15	9,488,494.80
2015-16	9,485,795.32
2016-17	9,484,044.29
	<u>\$ 104,341,188.60</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006**

PUBLIC IMPROVEMENT PROJECT

<u>Fiscal Year</u>	<u>Due September 15</u>	<u>Due March 15</u>	<u>Total</u>
2006-07	1,097,283.75	324,730.00	1,422,013.75
2007-08	1,114,730.00	306,165.00	1,420,895.00
2008-09	1,131,165.00	286,365.00	1,417,530.00
2009-10	1,156,365.00	265,050.00	1,421,415.00
2010-11	1,175,050.00	242,300.00	1,417,350.00
2011-12	702,300.00	230,800.00	933,100.00
2012-13	715,800.00	218,675.00	934,475.00
2013-14	723,675.00	206,050.00	929,725.00
2014-15	741,050.00	192,675.00	933,725.00
2015-16	752,675.00	177,975.00	930,650.00
2016-17	767,975.00	162,487.50	930,462.50
2017-18	782,487.50	146,212.50	928,700.00
2018-19	801,212.50	129,018.75	930,231.25
2019-20	729,018.75	113,268.75	842,287.50
2020-21	743,268.75	96,731.25	840,000.00
2021-22	761,731.25	79,275.00	841,006.25
2022-23	774,275.00	61,031.25	835,306.25
2023-24	796,031.25	41,737.50	837,768.75
2024-25	816,737.50	21,393.75	838,131.25
2025-26	836,393.75	-	836,393.75
	<u>\$ 17,119,225.00</u>	<u>\$ 3,301,941.25</u>	<u>\$ 20,421,166.25</u>

Schedule Sixteen

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006**

**CONSTRUCTION AND IMPROVEMENT PROJECT
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Due July 1 Principal</u>	<u>Fiscal Year** Interest</u>	<u>Total</u>
2006-07	2,100,000.00	1,926,930.98	4,026,930.98
2007-08	2,200,000.00	689,669.92	2,889,669.92
2008-09	2,300,000.00	604,089.88	2,904,089.88
2009-10	2,400,000.00	526,439.86	2,926,439.86
2010-11	2,500,000.00	421,259.96	2,921,259.96
2011-12	2,600,000.00	324,010.08	2,924,010.08
2012-13	2,700,000.00	222,870.08	2,922,870.08
2013-14	2,900,000.00	113,949.84	3,013,949.84
2014-15	3,000,000.00	(94,969.88)	2,905,030.12
2015-16	2,800,000.00	(97,980.19)	2,702,019.81
	<u>\$ 25,500,000.00</u>	<u>\$ 4,636,270.53</u>	<u>\$ 30,136,270.53</u>

**Interest paid monthly, computed at a variable interest rate. Fiscal year interest in this schedule is based on June 30, 2006 interest rate.

Schedule Seventeen

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

CONSTRUCTION AND IMPROVEMENT PROJECT
SERIES 2002

Fiscal Year	Due July 1		Due January 1	Total
	Principal	Interest	Interest	
2006-07	4,305,000.00	1,148,568.75	1,083,993.75	6,537,562.50
2007-08	4,435,000.00	1,083,993.75	1,017,468.75	6,536,462.50
2008-09	4,435,000.00	1,017,468.75	945,400.00	6,397,868.75
2009-10	4,650,000.00	945,400.00	852,400.00	6,447,800.00
2010-11	4,790,000.00	852,400.00	756,600.00	6,399,000.00
2011-12	5,025,000.00	756,600.00	656,100.00	6,437,700.00
2012-13	5,155,000.00	656,100.00	553,000.00	6,364,100.00
2013-14	5,475,000.00	553,000.00	443,500.00	6,471,500.00
2014-15	5,585,000.00	443,500.00	303,875.00	6,332,375.00
2015-16	5,950,000.00	303,875.00	155,125.00	6,409,000.00
2016-17	6,205,000.00	\$ 155,125.00	-	6,360,125.00
	<u>\$ 56,010,000.00</u>	<u>\$ 7,916,031.25</u>	<u>\$ 6,767,462.50</u>	<u>\$ 70,693,493.75</u>

Schedule Eighteen

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A

Fiscal Year	Due November 1		Due May 1	Total
	Principal	Interest	Interest	
2006-07	115,000.00	172,966.25	170,666.25	458,632.50
2007-08	545,000.00	170,666.25	159,766.25	875,432.50
2008-09	565,000.00	159,766.25	149,878.75	874,645.00
2009-10	590,000.00	149,878.75	138,078.75	877,957.50
2010-11	610,000.00	138,078.75	125,878.75	873,957.50
2011-12	635,000.00	125,878.75	113,178.75	874,057.50
2012-13	655,000.00	113,178.75	100,078.75	868,257.50
2013-14	685,000.00	100,078.75	86,036.25	871,115.00
2014-15	715,000.00	86,036.25	70,842.50	871,878.75
2015-16	745,000.00	70,842.50	54,825.00	870,667.50
2016-17	775,000.00	54,825.00	37,775.00	867,600.00
2017-18	810,000.00	37,775.00	19,550.00	867,325.00
2018-19	850,000.00	19,550.00	-	869,550.00
	<u>\$ 8,295,000.00</u>	<u>\$ 1,399,521.25</u>	<u>\$ 1,226,555.00</u>	<u>\$ 10,921,076.25</u>

Schedule Nineteen

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B

Fiscal Year	Due November 1		Due May 1	Total
	Principal	Interest	Interest	
2006-07	\$ 4,775,000	\$ 736,150	\$ 627,025	\$ 6,138,175
2007-08	\$ 4,495,000	\$ 627,025	\$ 537,125	\$ 5,659,150
2008-09	\$ 4,650,000	\$ 537,125	\$ 455,750	\$ 5,642,875
2009-10	\$ 4,840,000	\$ 455,750	\$ 337,000	\$ 5,632,750
2010-11	\$ 5,055,000	\$ 337,000	\$ 235,900	\$ 5,627,900
2011-12	\$ 5,265,000	\$ 235,900	\$ 109,900	\$ 5,610,800
2012-13	\$ 5,495,000	\$ 109,900	\$ -	\$ 5,604,900
	<u>\$ 34,575,000</u>	<u>\$ 3,038,850</u>	<u>\$ 2,302,700</u>	<u>\$ 39,916,550</u>

Schedule Twenty

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

WEST VALLEY DETENTION CENTER PROJECT - 2002 SERIES A

Fiscal Year	Due November 1		Due May 1	Total
	Principal	Interest	Interest	
2006-07	195,000.00	1,145,068.75	1,140,681.25	2,480,750.00
2007-08	265,000.00	1,140,681.25	1,134,718.75	2,540,400.00
2008-09	280,000.00	1,134,718.75	1,128,418.75	2,543,137.50
2009-10	290,000.00	1,128,418.75	1,121,893.75	2,540,312.50
2010-11	305,000.00	1,121,893.75	1,114,268.75	2,541,162.50
2011-12	325,000.00	1,114,268.75	1,106,143.75	2,545,412.50
2012-13	340,000.00	1,106,143.75	1,097,643.75	2,543,787.50
2013-14	6,115,000.00	1,097,643.75	937,125.00	8,149,768.75
2014-15	6,430,000.00	937,125.00	768,337.50	8,135,462.50
2015-16	6,765,000.00	768,337.50	590,756.25	8,124,093.75
2016-17	7,125,000.00	590,756.25	403,725.00	8,119,481.25
2017-18	7,495,000.00	403,725.00	206,981.25	8,105,706.25
2018-19	7,885,000.00	\$ 206,981.25	-	8,091,981.25
	<u>\$ 43,815,000.00</u>	<u>\$ 11,895,762.50</u>	<u>\$ 10,750,693.75</u>	<u>\$ 66,461,456.25</u>

Schedule Twenty-one

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT - SERIES 1994

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2006-07	4,515,000.00	5,064,468.75	4,945,950.00	14,525,418.75
2007-08	3,090,000.00	4,945,950.00	4,853,250.00	12,889,200.00
2008-09	3,280,000.00	4,853,250.00	4,754,850.00	12,888,100.00
2009-10	3,480,000.00	4,754,850.00	4,650,450.00	12,885,300.00
2010-11	3,570,000.00	4,650,450.00	4,552,275.00	12,772,725.00
2011-12	3,775,000.00	4,552,275.00	4,448,462.50	12,775,737.50
2012-13	3,990,000.00	4,448,462.50	4,338,737.50	12,777,200.00
2013-14	4,205,000.00	4,338,737.50	4,223,100.00	12,766,837.50
2014-15	4,445,000.00	4,223,100.00	4,100,862.50	12,768,962.50
2015-16	4,695,000.00	4,100,862.50	3,971,750.00	12,767,612.50
2016-17	4,965,000.00	3,971,750.00	3,835,212.50	12,771,962.50
2017-18	5,235,000.00	3,835,212.50	3,691,250.00	12,761,462.50
2018-19	7,465,000.00	3,691,250.00	3,485,962.50	14,642,212.50
2019-20	7,880,000.00	3,485,962.50	3,269,262.50	14,635,225.00
2020-21	12,180,000.00	3,269,262.50	2,842,962.50	18,292,225.00
2021-22	12,570,000.00	2,842,962.50	2,497,287.50	17,910,250.00
2022-23	13,290,000.00	2,497,287.50	2,131,812.50	17,919,100.00
2023-24	14,090,000.00	2,131,812.50	1,744,337.50	17,966,150.00
2024-25	14,890,000.00	1,744,337.50	1,334,862.50	17,969,200.00
2025-26	13,060,000.00	1,334,862.50	1,008,362.50	15,403,225.00
2026-27	13,725,000.00	1,008,362.50	665,237.50	15,398,600.00
2027-28	13,675,000.00	665,237.50	340,456.25	14,680,693.75
2028-29	14,335,000.00	340,456.25	-	14,675,456.25
	<u>\$ 186,405,000.00</u>	<u>\$ 76,751,162.50</u>	<u>\$ 71,686,693.75</u>	<u>\$ 334,842,856.25</u>

Schedule Twenty-two

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006**

MEDICAL CENTER PROJECT - SERIES 1995

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2006-07	6,420,000.00	3,599,668.75	3,415,093.75	13,434,762.50
2007-08	8,485,000.00	3,415,093.75	3,171,150.00	15,071,243.75
2008-09	9,045,000.00	3,171,150.00	2,854,575.00	15,070,725.00
2009-10	9,705,000.00	2,854,575.00	2,514,900.00	15,074,475.00
2010-11	10,525,000.00	2,514,900.00	2,146,525.00	15,186,425.00
2011-12	3,245,000.00	2,146,525.00	2,041,062.50	7,432,587.50
2012-13	3,465,000.00	2,041,062.50	1,928,450.00	7,434,512.50
2013-14	3,705,000.00	1,928,450.00	1,808,037.50	7,441,487.50
2014-15	3,955,000.00	1,808,037.50	1,679,500.00	7,442,537.50
2015-16	4,225,000.00	1,679,500.00	1,542,187.50	7,446,687.50
2016-17	9,545,000.00	1,542,187.50	1,257,175.00	12,344,362.50
2017-18	10,140,000.00	1,257,175.00	954,250.00	12,351,425.00
2018-19	7,150,000.00	954,250.00	757,625.00	8,861,875.00
2019-20	7,560,000.00	757,625.00	549,725.00	8,867,350.00
2020-21	6,180,000.00	549,725.00	379,775.00	7,109,500.00
2021-22	6,720,000.00	379,775.00	194,975.00	7,294,750.00
2022-23	7,090,000.00	194,975.00	-	7,284,975.00
	<u>\$ 117,160,000.00</u>	<u>\$ 30,794,675.00</u>	<u>\$ 27,195,006.25</u>	<u>\$ 175,149,681.25</u>

Schedule Twenty-three

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006**

MEDICAL CENTER PROJECT - SERIES 1996

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2006-07	-	1,630,743.75	1,630,743.75	3,261,487.50
2007-08	-	1,630,743.75	1,630,743.75	3,261,487.50
2008-09	60,000.00	1,630,743.75	1,629,168.75	3,319,912.50
2009-10	325,000.00	1,629,168.75	1,620,637.50	3,574,806.25
2010-11	340,000.00	1,620,637.50	1,611,712.50	3,572,350.00
2011-12	360,000.00	1,611,712.50	1,602,262.50	3,573,975.00
2012-13	380,000.00	1,602,262.50	1,592,287.50	3,574,550.00
2013-14	400,000.00	1,592,287.50	1,581,787.50	3,574,075.00
2014-15	420,000.00	1,581,787.50	1,570,762.50	3,572,550.00
2015-16	445,000.00	1,570,762.50	1,559,081.25	3,574,843.75
2016-17	465,000.00	1,559,081.25	1,546,875.00	3,570,956.25
2017-18	490,000.00	1,546,875.00	1,534,625.00	3,571,500.00
2018-19	515,000.00	1,534,625.00	1,521,750.00	3,571,375.00
2019-20	545,000.00	1,521,750.00	1,508,125.00	3,574,875.00
2020-21	570,000.00	1,508,125.00	1,493,875.00	3,572,000.00
2021-22	600,000.00	1,493,875.00	1,478,875.00	3,572,750.00
2022-23	630,000.00	1,478,875.00	1,463,125.00	3,572,000.00
2023-24	665,000.00	1,463,125.00	1,446,500.00	3,574,625.00
2024-25	695,000.00	1,446,500.00	1,429,125.00	3,570,625.00
2025-26	735,000.00	1,429,125.00	1,410,750.00	3,574,875.00
2026-27	7,120,000.00	1,410,750.00	1,232,750.00	9,763,500.00
2027-28	24,030,000.00	1,232,750.00	632,000.00	25,894,750.00
2028-29	25,280,000.00	632,000.00	-	25,912,000.00
	<u>\$ 65,070,000.00</u>	<u>\$ 34,358,306.25</u>	<u>\$ 32,727,562.50</u>	<u>\$ 132,155,868.75</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006**

MEDICAL CENTER PROJECT - SERIES 1997

<u>Fiscal Year</u>	<u>Due August 1</u>		<u>Due February 1</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	
2006-07	14,800,000.00	1,209,815.00	802,815.00	16,812,630.00
2007-08	15,605,000.00	802,815.00	402,045.00	16,809,860.00
2008-09	16,410,000.00	402,045.00		16,812,045.00
	<u>\$ 46,815,000.00</u>	<u>\$ 2,414,675.00</u>	<u>\$ 1,204,860.00</u>	<u>\$ 50,434,535.00</u>

Schedule Twenty-five

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

MEDICAL CENTER PROJECT – SERIES 1998

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2006-07	-	3,697,443.23	3,697,443.23	7,394,886.46
2007-08	-	3,697,443.23	3,697,443.23	7,394,886.46
2008-09	1,000,000.00	3,697,443.23	3,676,495.73	8,373,938.96
2009-10	1,100,000.00	3,676,495.73	3,653,453.48	8,429,949.21
2010-11	1,200,000.00	3,653,453.48	3,628,316.48	8,481,769.96
2011-12	9,200,000.00	3,628,316.48	3,435,599.48	16,263,915.96
2012-13	9,600,000.00	3,435,599.48	3,234,503.48	16,270,102.96
2013-14	10,000,000.00	3,234,503.48	3,025,028.48	16,259,531.96
2014-15	10,500,000.00	3,025,028.48	2,805,079.73	16,330,108.21
2015-16	10,900,000.00	2,805,079.73	2,576,751.98	16,281,831.71
2016-17	6,400,000.00	2,576,751.98	2,442,687.98	11,419,439.96
2017-18	6,700,000.00	2,442,687.98	2,302,339.73	11,445,027.71
2018-19	8,700,000.00	2,302,339.73	2,120,096.48	13,122,436.21
2019-20	9,100,000.00	2,120,096.48	1,929,474.23	13,149,570.71
2020-21	7,500,000.00	1,929,474.23	1,772,367.98	11,201,842.21
2021-22	8,100,000.00	1,772,367.98	1,602,693.23	11,475,061.21
2022-23	8,400,000.00	1,602,693.23	1,426,734.23	11,429,427.46
2023-24	16,200,000.00	1,426,734.23	1,087,384.73	18,714,118.96
2024-25	16,900,000.00	1,087,384.73	733,371.98	18,720,756.71
2025-26	20,200,000.00	733,371.98	310,232.48	21,243,604.46
2026-27	14,810,000.00	310,232.48	-	15,120,232.48
	<u>\$ 176,510,000.00</u>	<u>\$ 52,854,941.58</u>	<u>\$ 49,157,498.35</u>	<u>\$ 278,522,439.93</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2003 A

Fiscal Year	Principal		Fiscal Year	Total
	Due September 1	Due March 1	Interest**	
2006-07	150,000.00	200,000.00	305,584.05	655,584.05
2007-08	175,000.00	200,000.00	292,522.20	667,522.20
2008-09	175,000.00	225,000.00	279,020.45	679,020.45
2009-10	150,000.00	250,000.00	265,343.73	665,343.73
2010-11	200,000.00	200,000.00	250,347.09	650,347.09
2011-12	225,000.00	200,000.00	239,939.65	664,939.65
2012-13	225,000.00	225,000.00	219,977.45	669,977.45
2013-14	200,000.00	250,000.00	204,536.29	654,536.29
2014-15	200,000.00	275,000.00	188,370.55	663,370.55
2015-16	225,000.00	250,000.00	171,191.34	646,191.34
2016-17	275,000.00	250,000.00	155,806.04	680,806.04
2017-18	250,000.00	275,000.00	134,570.26	659,570.26
2018-19	275,000.00	275,000.00	115,312.79	665,312.79
2019-20	275,000.00	275,000.00	95,929.30	645,929.30
2020-21	325,000.00	275,000.00	75,101.64	675,101.64
2021-22	275,000.00	325,000.00	54,806.64	654,806.64
2022-23	300,000.00	325,000.00	33,356.90	658,356.90
2023-24	325,000.00	325,000.00	9,731.92	659,731.92
	<u>\$ 4,225,000.00</u>	<u>\$ 4,600,000.00</u>	<u>\$ 3,091,448.29</u>	<u>\$ 11,916,448.29</u>

** Interest paid every 7 days, computed at a variable auction interest rate. Fiscal year interest in this schedule is based on June 30, 2006 rate.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2003 B

Fiscal Year	Principal		Fiscal Year	
	Due September 1	Due March 1	Interest**	Total
2006-07	25,000.00	25,000.00	283,839.05	333,839.05
2007-08	50,000.00	75,000.00	279,318.20	404,318.20
2008-09	50,000.00	50,000.00	273,109.39	373,109.39
2009-10	50,000.00	50,000.00	267,815.62	367,815.62
2010-11	25,000.00	50,000.00	263,575.52	338,575.52
2011-12	50,000.00	50,000.00	258,562.49	358,562.49
2012-13	25,000.00	50,000.00	254,318.73	329,318.73
2013-14	0.00	50,000.00	267,319.77	317,319.77
2014-15	25,000.00	50,000.00	247,705.21	322,705.21
2015-16	0.00	50,000.00	261,635.97	311,635.97
2016-17	0.00	25,000.00	260,505.74	285,505.74
2017-18	275,000.00	275,000.00	226,329.68	776,329.68
2018-19	275,000.00	300,000.00	196,856.79	771,856.79
2019-20	325,000.00	300,000.00	164,434.35	789,434.35
2020-21	325,000.00	325,000.00	131,049.48	781,049.48
2021-22	325,000.00	350,000.00	96,297.40	771,297.40
2022-23	375,000.00	350,000.00	61,629.20	786,629.20
2023-24	375,000.00	375,000.00	16,843.75	766,843.75
	<u>\$ 2,575,000.00</u>	<u>\$ 2,800,000.00</u>	<u>\$ 3,811,146.34</u>	<u>\$ 9,186,146.34</u>

** Interest paid every 28 days, computed at a variable auction interest rate. Fiscal year interest in this schedule is based on June 30, 2006 interest rate.

Schedule Twenty-eight

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

CAPITAL IMPROVEMENT REFINANCING PROJECT

<u>Fiscal Year</u>	<u>Due November 1 Principal</u>	<u>Fiscal Year Interest**</u>	<u>Total</u>
2006-07	300,000.00	311,190.92	611,190.92
2007-08	300,000.00	282,390.82	582,390.82
2008-09	300,000.00	270,630.68	570,630.68
2009-10	300,000.00	258,870.70	558,870.70
2010-11	300,000.00	247,110.90	547,110.90
2011-12	300,000.00	235,350.76	535,350.76
2012-13	300,000.00	223,590.78	523,590.78
2013-14	300,000.00	211,830.64	511,830.64
2014-15	400,000.00	197,507.74	597,507.74
2015-16	400,000.00	181,827.84	581,827.84
2016-17	400,000.00	166,147.76	566,147.76
2017-18	400,000.00	150,467.68	550,467.68
2018-19	400,000.00	134,787.60	534,787.60
2019-20	400,000.00	119,107.52	519,107.52
2020-21	400,000.00	103,427.78	503,427.78
2021-22	500,000.00	85,184.62	585,184.62
2022-23	500,000.00	65,584.60	565,584.60
2023-24	500,000.00	45,984.76	545,984.76
2024-25	500,000.00	26,384.58	526,384.58
2025-26	500,000.00	6,784.56	506,784.56
	<u>\$ 7,700,000.00</u>	<u>\$ 3,324,163.24</u>	<u>\$ 11,024,163.24</u>

**Interest paid every 28 days, computed at a variable auction interest rate. Fiscal year interest in this schedule is based on June 30, 2006, interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006**

SOLID WASTE FINANCING PROJECT – SERIES 2003 B

Fiscal Year	Principal		Fiscal Year	
	Due September 1	Due March 1	Interest**	Total
2006-07	2,725,000.00	2,725,000.00	4,041,132.80	9,491,132.80
2007-08	2,875,000.00	2,875,000.00	3,744,183.34	9,494,183.34
2008-09	3,025,000.00	3,025,000.00	3,431,440.11	9,481,440.11
2009-10	3,175,000.00	3,200,000.00	3,102,042.71	9,477,042.71
2010-11	3,350,000.00	3,375,000.00	2,754,434.38	9,479,434.38
2011-12	3,525,000.00	3,575,000.00	2,388,480.20	9,488,480.20
2012-13	3,725,000.00	3,750,000.00	2,002,116.70	9,477,116.70
2013-14	3,950,000.00	3,950,000.00	1,594,023.95	9,494,023.95
2014-15	4,175,000.00	4,150,000.00	1,163,494.80	9,488,494.80
2015-16	4,400,000.00	4,375,000.00	710,795.32	9,485,795.32
2016-17	4,625,000.00	4,625,000.00	234,044.29	9,484,044.29
	<u>\$ 39,550,000.00</u>	<u>\$ 39,625,000.00</u>	<u>\$ 25,166,188.60</u>	<u>\$ 104,341,188.60</u>

**Interest paid every 28 days, computed at an auction rate. Fiscal year interest in this schedule is based on June 30, 2006 interest rate.

Schedule Thirty

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2006

PUBLIC IMPROVEMENT PROJECT

Fiscal Year	Due October 1		Due April 1	Total
	Principal	Interest	Interest	
2006-07	755,000.00	342,283.75	324,730.00	1,422,013.75
2007-08	790,000.00	324,730.00	306,165.00	1,420,895.00
2008-09	825,000.00	306,165.00	286,365.00	1,417,530.00
2009-10	870,000.00	286,365.00	265,050.00	1,421,415.00
2010-11	910,000.00	265,050.00	242,300.00	1,417,350.00
2011-12	460,000.00	242,300.00	230,800.00	933,100.00
2012-13	485,000.00	230,800.00	218,675.00	934,475.00
2013-14	505,000.00	218,675.00	206,050.00	929,725.00
2014-15	535,000.00	206,050.00	192,675.00	933,725.00
2015-16	560,000.00	192,675.00	177,975.00	930,650.00
2016-17	590,000.00	177,975.00	162,487.50	930,462.50
2017-18	620,000.00	162,487.50	146,212.50	928,700.00
2018-19	655,000.00	146,212.50	129,018.75	930,231.25
2019-20	600,000.00	129,018.75	113,268.75	842,287.50
2020-21	630,000.00	113,268.75	96,731.25	840,000.00
2021-22	665,000.00	96,731.25	79,275.00	841,006.25
2022-23	695,000.00	79,275.00	61,031.25	835,306.25
2023-24	735,000.00	61,031.25	41,737.50	837,768.75
2024-25	775,000.00	41,737.50	21,393.75	838,131.25
2025-26	815,000.00	21,393.75	-	836,393.75
	<u>\$ 13,475,000.00</u>	<u>\$ 3,644,225.00</u>	<u>\$ 3,301,941.25</u>	<u>\$ 20,421,166.25</u>